



Iowa Workforce
Development

Protecting Unemployment Integrity

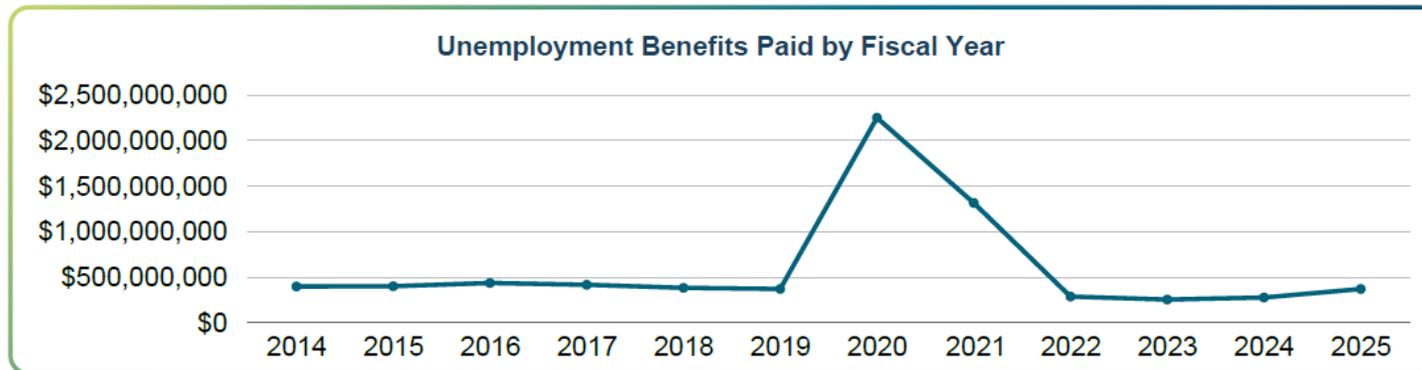
*Presentation to Federal and Other Funds
Appropriations Subcommittee
March 5, 2026*

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Executive Director

A Reminder of Where We Were

The COVID-19 pandemic created an unprecedented demand for Unemployment Insurance benefits.

With more claims (and multiple federal emergency programs) came more fraud...



441,923

- Total Individual Claims Filed (3/2020 to 6/2021)

\$190,350,360

- Total Overpayments (same period)

24,285

- Total ID Theft Claims Identified (2020 & 2021)

Investigative Process

Cross-Checks of
Wage Records and UI Claims



Investigations



Payment Plans or
Criminal Charges

Number of Fraudulent Claims Identified (since 2019)

2019	643
2020	1,795
2021	342
2022	138
2023	167
2024	24

*Numbers reflect cases caught after benefits were paid. (Note: ID.me went online in Iowa effective Jan. 2024 and became mandatory that April.)

We're Talking about More Than Just Fraud...

An **overpayment** results when someone receives unemployment insurance benefits he or she is not entitled to. This may be because of disqualification (after benefits have begun to be received), mistakes in information provided to IWD, earnings during a benefit week, or for any other reason.

If you receive an overpayment, you are obligated to pay the money back.

Overpayments

(Claims paid 3/8/2020 – 6/12/2021)

	Fraud	Non Fraud
2020	\$578,756	\$19,757,948
2021	\$4,075,007	\$94,532,976
2022	\$11,367,969	\$45,815,255
2023	\$6,347,453	\$2,774,439
2024	\$2,609,305	\$1,049,551
2025	\$1,195,886	\$245,814
	\$26,174,376	\$164,175,984

Total Overpayments Discovered to Date: **\$190,350,360**



Improving UI Systems for the Better

For several years, IWD has advanced long-term system modernization efforts to reinforce and strengthen unemployment system integrity – beginning with ID.me.

- **2024:**
 - Implemented the leading nationwide identity solution (ID.me) into its UI claims process – greatly improving fraud detection while expanding options for proving identities while filing.
- **2025:**
 - Combined ID.me with a fully modernized, comprehensive UI system, which has improved the claims process and the overall integrity/fraud detection.



How The Integrity Process Works

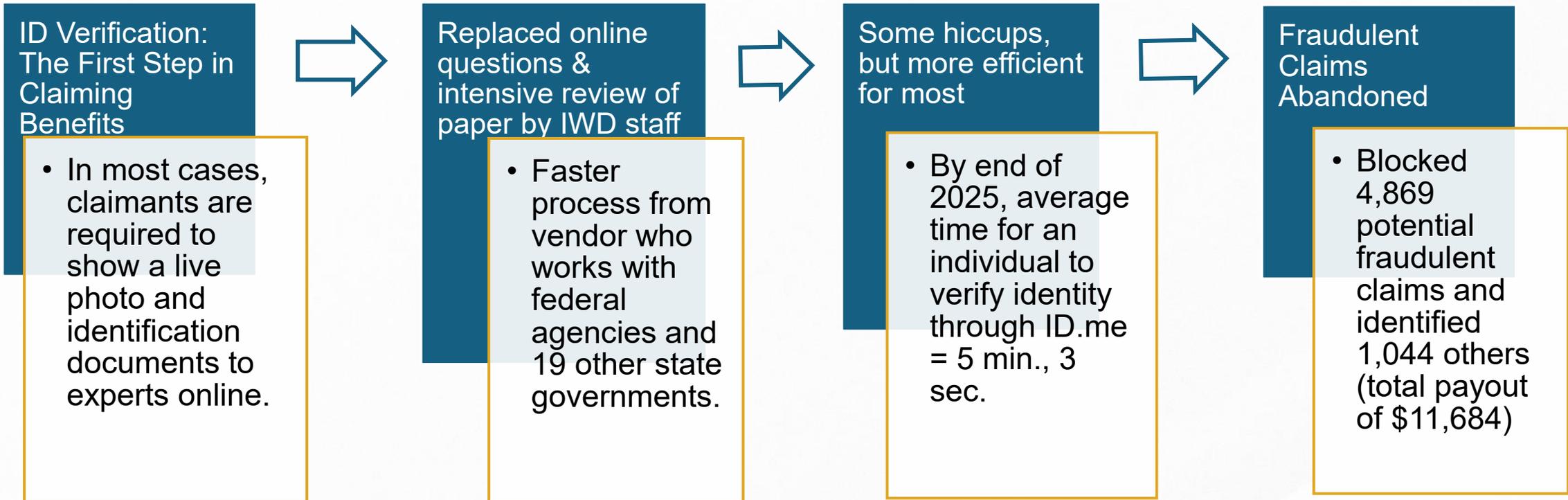
IWD has a variety of tools to help uncover fraud in Unemployment Insurance claims.

These include:

- 1 Technology**
 - Blocking IP addresses with known ties to fraud (as well as claims that re-use passwords, security questions, bank information, email and/or street addresses from fraudsters)
 - Auto-closing suspicious claims (fake employers, missing employment history)
 - Catching patterns in addresses, device usage
- 2 Collaboration (to share information on potential fraud schemes, accounts)**
 - Other Iowa agencies
 - Other States, National Association of State Workforce Agencies
 - US DOJ and OIG
- 3 ID.me**



Launched in 2024, ID.Me significantly increased the level of identity checks on Unemployment Insurance claims.





Faster, More Powerful Review

Before

- IWD staff found it challenging to identify fraudsters who had access to stolen documents
- Delays in verification slowed payments for all claims and led to payments of claims that would not have otherwise been paid and collecting overpayment afterwards.

After

- Id.me's larger scope enables them to stay on top of fraud activity.
- Faster verification provides more security, leading to potentially fraudulent claims being abandoned as they are filed.

Other Steps (Alongside ID.me) in Stopping Fraud

Identifying & Blocking Bad Actors

- Collaboration between agencies always has included checking claims data against vital records (deaths, prison records, etc.).
- Mass numbers of claims from large groups during pandemic led to creation of *new* watchlists.
 - Emails, bank routing numbers, etc., used in fraud.
 - Claims are blocked automatically if any listed information issued.



Other Steps (Alongside ID.me) in Stopping Fraud

Identifying & Blocking Bad Actors (cont.)

- IWD staff train quarterly, collaborate regionally to share best practices, and meet weekly with ID.me team to stay alert to latest scams.
 - [New Fraud Scheme Targets Claimants Who May Have a Lien](#). (Oct 2025)
- Weekly checks to identify newly established employers and determine if they are fictitious.





Partnerships with Prosecutors

When circumstances warrant, IWD works with the U.S. Attorneys' Offices (Northern & Southern Districts of Iowa) and U.S. Office of Inspector General to prosecute fraud cases.

- [Man Sentenced to Three Years in Federal Prison for Wire Fraud and Identity Theft](#)
- [Ottumwa Man and Woman Sentenced for Defrauding the Internal Revenue Service, Iowa Workforce Development, and Numerous Citizens](#)
- [Davenport woman arrested, accused of unemployment fraud](#)
- [Man received \\$19K in unemployment benefits while working at Davenport Works, Investigators say](#)

The Work Continues

- US DOL Inspector General estimates nearly \$1B in fraudulent unemployment benefits still out there.
 - Loaded on unused debit cards
 - Congressional Hearing this week
- **IWD, Attorney General, and Treasurer** all actively working on best way to return the money to Unemployment Insurance Trust Fund.



NEW Unemployment System

NOW LIVE



iowaworks.gov

Modernizing Iowa's Unemployment System

- IWD recently overhauled its unemployment system by **launching the most significant upgrade in several decades (since 1973)**.
- The upgrade (at IowaWORKS.gov) streamlines claims and appeals while maintaining a rigorous integrity process.
- More security in a system that works better for job seekers and employers.



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Thank You!

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